

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 COME-00 EB-11 LAB-06 SIL-01 AID-20 DRC-01

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E.O. 11652: N/A

TAGS: ELAB, PINT, AR

SUBJECT: MINISTER OF LABOR REITERATES DECISION ON WAGE
INCREASES AND HARSHLY CRITICES LEFT

SUMMARY: IN SPEECH DELIVERED DECEMBER 15 IN ROSARIO, LABMIN
OTERO STATED THAT THERE WOULD BE NO LARGE SCALE WAGE INCREASES AT
THIS TIME, AND THAT ANY ADJUSTMENTS IN WORKER COMPENSATION
WOULD BE WITHIN FRAMEWORK OF SOCIAL PACT. HE
ALSO LAMBASTED PERONIST LEFT, PARTICULARLY THE JUVENTUD TRABAJA-
DORA PERONISTA (JTP). END SUMMARY.

1. PRESIDENT PERON, IN ADDRESS AT CGT DECEMBER 13 (BA-9089),
VIRTUALLY RULED OUT POSSIBILITY LARGE SCALE WAGE INCREASES AT THIS
TIME. OTERO, HOWEVER, INDICATED THAT SALARY ADJUSTMENTS WOULD BE
MADE TO COMPENSATE WORKERS FOR HIGHER PRICES BROUGHT ABOUT BY
INCREASED COST OF IMPORTED GOODS, IN ACCORDANCE WITH PROCEDURES
ESTABLISHED BY SOCIAL PACT.

2. EMPLOYING PARTICULARLY HARSH LANGUAGE, LABOR MINISTER CALLED
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JTP MEMBERS FOOLS WHO BELIEVE RESISTANCE (TO MILITARY GOVERNMENT)

BEGAN IN 1970, AND NOT IN 1955. HE COMPARED JUVENTUD SINDICAL PERONISTA (JSP) FAVORABLY TO JTP WHICH HE SAID HAD "SOMETHING OF YOUTH, LITTLE OF WORKER AND NOTHING OF PERONIST". HE ALSO CALLED CHE GUEVARA A RENEGADE AND LABELED SLIMY AND VISCIOUS THOSE WHO CARRY BANNERS READING "IF EVITA (PERON) WERE LIVING SHE WOULD BE A MONTONERA".

3. OTERO EXPRESSED VIEW THAT IT WAS UNNECESSARY TO BE CONCERNED ABOUT LEFTIST SUBVERSION IN UNIVERSITY. "WHEN THE RECTOR GIVES THESE STUDENT REVOLUTIONARIES THEIR DEGREES, HE SAID, THEY STOP BEING REVOLUTIONARY". OTERO MAINTAINED, HOWEVER, THAT SUBVERSION IN LABOR MOVEMENT WAS SERIOUS MATTER. IN TODAY'S CONTEXT, HE SUGGESTED, LEFTIST PENETRATION "EXISTS WHEN WORKERS ASK FOR 50 THOUSAND PESO RAISE, OR WHEN AN ASSEMBLY REMOVES LABOR LEADERS IN ORDER TO UNDERMINE ORGANIZATIONS WHICH ARE ONLY ONES WHICH PRESERVE MOVEMENT".

COMMENT. CGT SOURCES INDICATE THAT MIDDLE LEVEL LABOR LEADERSHIP IS DISGRUNTLED WITH PERON'S DECISION, REITERATED BY OTERO, ON QUESTION OF WAGE INCREASES, FOR THESE LEADERS MUST DEAL MORE DIRECTLY WITH DISGRUNTLED ELEMENTS AT BASE OF LABOR MOVEMENT. LEADERSHIP WILL, HOWEVER, ACCEPT POLICY GUIDELINES IN ACCORDANCE WITH PRINCIPLE OF VERTICALITY. AS POINTED OUT IN LA NACION COMMENTARY, DECEMBER 17, LABOR WILL NOW SEEK MAXIMUM ADJUSTMENTS POSSIBLE WITHIN SOCIAL PACT ON BASIS 1) "IMPORTED INFLATION" AND 2) PRICE INCREASES ON DOMESTIC GOODS WHICH HAVE BEEN PERMITTED IN SPITE OF PRICE FREEZE.

OTERO'S ATTACK ON LEFT WING OF PERONIST MOVEMENT (JTP CONSIDERS ITSELF PERONIST DESPITE HAVING BEEN READ OUT OF MOVEMENT BY PERONIST SUPERIOR COUNCIL) IS SURPRISING ONLY IN DEGREE OF VITUPERATIVENESS. REFERENCE TO SUBVERSION IN LABOR MOVEMENT MAY REPRESENT INDICATION OF HOW NON-OFFICIAL CANDIDATES FOR UNION POSITIONS WILL BE REGARDED BY PRESENT LEADERSHIP IN FORTHCOMING UNION ELECTIONS.

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